



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

MICHAEL F. EASLEY
GOVERNOR

LYNDO TIPPETT
SECRETARY

January 25, 2006

REVISED LETTER

MEMORANDUM TO: AGC-DOT Joint Cooperative Committee Members

FROM: E. C. Powell, Jr., PE
State Construction Engineer

SUBJECT: Minutes to the Joint Committee Meeting

The Joint Cooperative Committee of the AGC-DOT met at 10:00 AM on November 16, 2005, in the Board Room of the Transportation Building.

Members and attendees present included:

Debbie Barbour
Roberto Canales
Bill Copeland
Steven DeWitt
Ron Hancock
Kenny Haynes
Kevin Hicks
Berry Jenkins

Daniel Keel
Michelle Long
Mike Long
Jeff Mann
Graham Moore
Dan Peter
Len Sanderson
Kalliopi Sgouros

Ron Shaw
Ted Sherrod
Shannon Sweitzer
Jimmy Travis
Phillip Watts
Sim Wooten, Jr.

Mr. Graham Moore welcomed everyone and all present introduced themselves. Mr. Moore will serve as the Industry co-chair of the AGC-DOT Joint Committee for the next two years.

AGENDA

Project Letting.....Debbie Barbour

- Ms. Debbie Barbour advised that the Department anticipates letting \$650 million in Transportation Improvement Program (TIP) projects in 2006, pending available funding. Included in the TIP updated letting list are: R-2559B - Union County - Monroe Bypass - September Letting - \$35 million, R-609IA & R-2606A - Guilford and Randolph Counties - US 311 High Point East Belt Widening - September Letting - \$105 million and R-2245 - Brunswick County - Oak Island - December Letting - \$26 million. Design-Build projects

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include R-4463B - Craven County - NC 43 - Connector to US 17 (Bosch Boulevard) - April Letting - \$25 million, I-3819 A&B - Iredell County - I-40/I-77 - Interchange Improvement – May Letting - \$60 million and R-2813 - Buncombe County - NC146 (Long Shoals Road) from West of French Broad River to East of I-26 - June Letting - \$32 million.

- Mr. Daniel Keel advised that in addition to the \$650 million for the TIP projects, the Department will also allocate approximately \$150 million to resurfacing projects.

DBE Goals for 2006.....Roberto Canales

- Mr. Roberto Canales advised that the Department has set the Division of Highways goals for Fiscal Year (FY) 2006 at 10.4%, an approximate decrease of 0.5% from FY 2005. The Race Conscious goals were set at 7.66% with the Race Neutral goals at **2.74%**. These goals were approved by the NCDOT Board of Transportation and have been advertised with 45-day period for public comment. Contract commitments exceeded the FY 2005 goals, resulting in this slight reduction in the goal. In addition, improvements made to the DBE Directory have resulted in the Department being able to better match the contracting firms with the type of work they perform. This process has improved the ability to establish more realistic goals.

DBE Tracking.....Phil Watts

- Mr. Phil Watts advised that the Department is diligently working on the DBE Tracking System and although commitments were made and subcontracts applied, payments are not being reported in the system. The Construction Unit is now reviewing final estimates for minority participation compliance with regard to reporting and is considering contacting contractors to verify payments.
- Mr. Berry Jenkins suggested that awareness efforts should be developed and included in the January 2006 contracts advertisement to remind the industry of the importance of reporting minority participation.

Joint Checks.....Berry Jenkins

- Mr. Berry Jenkins advised that eliminating the use of joint checks would receive negative feedback from the industry as some suppliers may not furnish materials if joint checks are not issued. He encouraged the Department to contact the construction material supply community for their input on this issue.
- Mr. Roberto Canales advised that FHWA regulations allow the use of joint checks and it is acceptable according to current Department policy.
- Mr. Steve DeWitt advised that some individuals outside the Department are uncomfortable with the process of issuing joint checks. He further commented that the process will be reviewed and that standard practices will be established to clearly define what is allowed and what is not permitted.

Funding Update.....Len Sanderson

- Mr. Len Sanderson advised of the current financial status of the Division of Highways. The Department currently has \$243 million in cash balances, as previously forecasted and the immediate goal is to remain within the established budget.
- Mr. Sanderson also advised that the legislation regarding the Garvee Bonds has passed and it is expected to generate approximately \$900-\$950 million in funding. The Department has the authority to use Garvee Bonds effective February 2006; however, the Department does not anticipate that these projects will be let until the later part of 2006. The NCDOT Board of Transportation and Secretary of Transportation will set final criteria for Garvee Bond projects. Candidate projects are expected from strategic corridors with regional/statewide significance. Projects must be identified before the Garvee Bonds can be issued.
- Mr. Sanderson further advised that the lettings for FY 2006 and 2007 may not be influenced by SAFETEA-LU funds. However, in 2008, there will be a significant increase. Currently, FY 2006 and 2007 include \$650 million in TIP projects in addition to Garvee Bonds.
- Mr. Berry Jenkins advised that the industry would soon face significant layoffs if contract lettings are not increased.

North Carolina Turnpike Authority Update.....Gail Grimes

- Ms. Gail Grimes distributed a list of projects currently being considered by the North Carolina Turnpike Authority. The list includes R-3329 - Union and Mecklenburg Counties - US-74 Monroe Connector, U-3321 - Gaston and Mecklenburg Counties - the Gaston East-West Connector and the Cape Fear Skyway in New Hanover and Brunswick Counties. Contract lettings are scheduled for late 2008 through 2010.
- Ms. Grimes advised that these projects assume the use of the Design-Build method of contracting with the project team beginning work within 2-3 months of the authorization. She also advised that the North Carolina Turnpike Authority has the ability to own right-of-way and construct the proposed roadways.
- Ms. Grimes also advised that numerous funding sources, in addition to Department funding are considered and evaluated for Turnpike projects, including Toll Roads and Fee Roads, which have an estimated potential funding of \$100-\$600 million.

General Contractor's Licensing Requirements.....Steven DeWitt

- Mr. Steven DeWitt noted that the federal guidelines regarding licensing have been reconsidered and the North Carolina Licensing Board has amended its policies. In order to perform contract work, a firm must be licensed. However, licenses are not required for bidding and prequalification. The Department will provide these revised requirements and clarification to the industry in writing as soon as possible.

N.C. Thinking Ahead Taskforce Update.....Len Sanderson

- Mr. Len Sanderson advised that the Department is looking at funding/revenue needs for the next 10-15 years and he has been charged with the task of obtaining the public's ideas through forums, surveys and public meetings. General findings revealed, thus far, indicate that the public does not want to increase the gas tax, the public supports toll facilities in general and the public will support local sales tax increases with the condition that the money stays within the local area that it is collected. However, supporting local sales tax increases was not consistent in all urban areas.
- Compilations of the data have not been completed at this time. It is anticipated that all information will be summarized and reported to the task force by December 1, 2005.

Stone Tickets (New Item).....Graham Moore

- Mr. Graham Moore advised that some Resident Engineers would not accept carbon copies of stone tickets from quarries since they did not include an original ink signature. Mr. Phillip Watts advised that he would contact the Department of Agriculture (DOA) and Resident Engineers to resolve this issue.

The next meeting is scheduled for January 19, 2006, at 10:00 AM in the Emergency Information Center (EIC) in the Transportation Building on the 1st floor.

KS:kdI

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Mr. Dan DeVane

Mr. W. D. Riddick

Mr. L. A. Sanderson, PE

Mr. W. S. Varnedoe, PE

Ms. D. M. Barbour, PE

Mr. S. D. DeWitt, PE

Mr. W. F. Rosser, PE

Mr. L. D. Love, PE

Mr. Roberto Canales, PE

Mr. B. G. Jenkins, Jr., PE

Mr. C. L. Jones, PE

Mr. V. J. Barbour, PE

Mr. Art McMillan, PE

Mr. C.W. Leggett, PE